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TAGS: [PGOV](#) [PREL](#) [PTER](#) [EFIN](#) [AF](#) [IR](#) [AE](#)
SUBJECT: (S) US-UAE Cooperation Against Taliban Finance Continues

REF: 10 ABU DHABI 9

CLASSIFIED BY: Richard Olson, Ambassador, State Department, U.S.
Embassy Abu Dhabi; REASON: 1.4(B), (D)

STATE FOR S/SRAP, SCA, AND NEA/ARP

TREASURY FOR U/S LEVEY, A/S COHEN, DAS MENDELSON

CENTCOM FOR GEN PETRAEUS, GEN MCCHRYSTAL

AMB DCM POL ECON USLO DAO POLM

11. (C) This cable contains an action request for Treasury, DoJ and FBI. See para 19.

12. (S/NF) Summary. On 11 January 2010 SRAP Ambassador Holbrooke and Treasury Assistant Secretary David Cohen met with UAE State Security (SSD) head Sheikh Hazza bin Zayed al Nahyan. On 12 January, Cohen met separately with Mohammed al Qemzi, head of Dubai's security apparatus (GDSS). Holbrooke praised the UAE for its substantial positive contribution in Afghanistan, in the form of humanitarian, economic, political and military assistance. Holbrooke and Cohen praised the UAE for its cooperation on bulk cash smuggling programs, and its growing intelligence cooperation on Af/Pak issues with GPRO and Treasury through liaison channels. Sheikh Hazza and al Qemzi pledged support for USG led efforts to disrupt the flow of funding to the Taliban and its associated groups in Afghanistan and Pakistan.

13. (S/NF) Sheikh Hazza asked how the UAE could support the Taliban reintegration program. Holbrooke pointed to the reintegration fund, targeted to reach \$500 million, with the UK and Japan taking the lead. Holbrooke and Cohen were accompanied by Ambassador Olson in Abu Dhabi, and Cohen was accompanied by CG Siberell in Dubai. End Summary.

14. (S/NF) Sheikh Hazza opened by expressing his deep condolences for the recent loss of CIA officers in Afghanistan stating "your

loss is our loss." He called for deeper cooperation between the U.S. and UAE to bring stability in South Asia, and therefore the UAE as well. Hazza pointed to Iraq, Yemen and Somalia, describing the terrorist threat as "growing," with the whole neighborhood around the UAE "hot and getting hotter." He said the UAE continues to watch Iran closely and is concerned about the strengthening of extremists inside the Iranian regime. Hazza expressed pride in the trust built between the U.S. and the UAE, and welcomed deeper cooperation on such mutual security interests.

15. (S/NF) Cohen stressed the importance of disrupting Taliban financing that touches the UAE. He raised U.S. concerns about bulk cash moving from Afghanistan to the UAE, some of which may stem from drugs, corruption and/or Taliban interests. He praised the UAE's cooperation with the Department of Homeland Security on training and practical exercises targeting bulk cash smuggling (BCS), and noted the importance of ultimately carrying out practical exercises in Dubai.

16. (S/NF) Cohen recommended that the U.S. and the UAE extend their existing cooperation on bulk cash to work together with the Government of Afghanistan (GOA). Sheikh Hazza agreed that including the GOA would be useful and offered to raise the issue with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed al Nahyan.

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17. (S/NF) With respect to the movement of bulk cash, Dubai GDSS head al Qemzi noted the heavy traffic loads at Dubai's international airport. With 40 million passengers per year and 800 flights per days (all international) Dubai faces a significant logistical challenge. He said that Dubai imposes random checks on 30-40% of incoming passengers for transporting of illicit items, including undeclared bulk cash. (NOTE: Dubai airport x-rays every bag entering the UAE looking for illicit items including undeclared bulk cash. END NOTE.) But he said small amount of cash are difficult to control and asked for advice from A/S Cohen on how the U.S. handles this challenge.

18. (S/NF) Al Qemzi agreed that the UAE's failure to require declarations on cash leaving the UAE constitutes a vulnerability. GDSS considers outbound cash declarations an important tool to detect and disrupt several types of crime, including terrorist financing. He encouraged Cohen to press the issue with the Central Bank. Even without a law, however, al Qemzi noted that GDSS can still act if it has specific information.

19. (S/NF) Cohen pointed to the December 2009 visit by Treasury DAS Mendelsohn and asked for an update on the lead information passed by GPRO and Treasury identifying Taliban finance-related activity in the UAE. In particular, Cohen noted that Taliban finance officials Tayeb Agha and Mullah Jalil have made repeated visits to the UAE; he queried about Dubai-based Afghan businessman Abdul Bari, about whom GPRO and Treasury had passed information indicating financial ties to the Taliban. He urged SSD and GDSS to work with GPRO and Treasury to identify and disrupt Taliban finance activity in the UAE. Holbrooke stated that more names and intelligence would be forthcoming from the U.S. and stressed the need for action and cooperation to put pressure on the money flow.

110. (S/NF) SSD head Sheikh Hazza stated that his service is working with GPRO to target these people and the other names passed by GPRO and Treasury. He pledged the cooperation of his service in targeting this activity. GDSS head al Qemzi noted that the Taliban finance information discussed during the December visit by Mendelsohn is being handled through intelligence channels in cooperation with GPRO and pledged to go after specific targets

"when we have them." Both Hazza and al Qemzi encouraged greater information sharing through established GRPO liaison channels on Taliban financing activity related to the UAE.

¶11. (S/NF) Sheikh Hazza asked Holbrooke to describe how Iran is working toward instability in Afghanistan. Holbrooke explained that Iran is playing a double game in Afghanistan. On the one hand, Iran does not like the Taliban, but on the other hand Iran has sent weapons into Afghanistan for anti-coalition activity.

¶12. (S/NF) Al Qemzi stated that the UAE has been the most aggressive country in the Gulf in confronting Iranian activity. He recapped that the UAE has closed 42 Iranian front companies, rejected scores of new Iranian companies, denied 500-600 Iranian visas, and intercepted 30+ ships with dual use or WMD materials. He praised the strong interagency team the UAE has put together and its active role in the Port Security Initiative. He said the UAE stopped opening new Iranian businesses three years ago. In retaliation, the Iranian media has escalated negative press campaigns against the UAE.

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¶13. (S/NF) Al Qemzi said that due to the UAE's efforts "we don't see as much happening here." According to al Qemzi, Iranian media reported that the IRGC is looking to open overseas in Macao, Malaysia and Turkey because Dubai is "too difficult." Nonetheless, he said the Iranians are still looking for loopholes in the UAE, something they are very good at, and that Iranians still want to take advantage of Dubai as a business and finance hub.

¶14. (S/NF) Al Qemzi asked about the laws and actions used to go after Iranian front companies in the U.S. He requested that the U.S. share all the names of companies and individuals with Dubai in order to help Dubai protect itself. He specially noted the Alavi Foundation, recently the target of U.S. law enforcement action. Alavi, he said, had been used by Iran to fund U.S. NGOs and to investigate and criticize human rights practices and stir up trouble among the Gulf States, including the UAE. He requested that the USG share whatever information it has on Alavi with GDSS, including financial records.

¶15. (S/NF) Al Qemzi stated that GDSS detected that Iran was trying to bring \$5-10 billion in cash to the UAE, leave it in UAE banks for 5 years, and then return it in euros (NFI). He said Iran was trying to arrange this deal through a "powerful person."

¶16. (S/NF) Al Qemzi pledged continued cooperation against Iran, but noted that the UAE cannot be openly hostile because of the UAE's geographical proximity to Iran and the security threat it poses; "we can act as long as no publicity."

¶17. (S/NF) Cohen passed al Qemzi information pertaining to North Korean financial activity in Dubai. Al Qemzi reviewed the information and noted that one of the identified entities, Green Mountain Electronics, had closed down and moved to Malaysia. Al Qemzi promised to gather all the details and pass them through GPRO channels.

¶18. (S/NF) Al Qemzi raised the issue of Dubai's corruption investigation targeting U.S. citizen Zack Shahin. He said Shahin has admitted (NFI) sending funds to the U.S., and refused to repatriate the money as it is "for his children's future." Al Qemzi

said the funds originate from corrupt activity and encouraged the USG to cooperate with the investigation and respond to requests for information from Dubai authorities. (Note: in March 2009, the UAE Embassy in Washington submitted by diplomatic note to the Department of State a request for "judicial assistance" regarding the case against Amcit Shahin. End Note.)

ACTION REQUEST:

¶19. (S/NF) Embassy requests that Treasury, DoJ and FBI share with GDSS all information possible regarding the Alavi Foundation, including available financial records.
OLSON